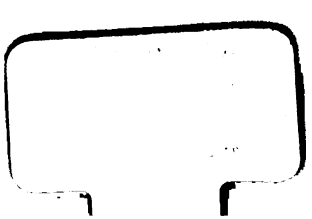
CLEMENTS

FEDERAL SUPERVISION OF RAILROADS

1910



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ADDRESS OF

JUDSON C. CLEMENTS

OF THE

Interstate Commerce Commission

BEFORE THE

Economic Club of Boston

March 30, 1910

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It is true, at least in this country of free speech, free press and free institutions, and of government by an intelligent people, through their frequently chosen representatives, that nothing is settled until it is settled right. The more important the matter and the more nearly it may concern the interests and well-being of all the people, the more unreasonable it is to expect perfect legislation in the first instance and the less probable that any inadequate treatment will put it even at temporary rest.

Although authority to regulate commerce among the states has existed in the Federal Constitution from the beginning, the power lay practically dormant until the passage of the act to regulate commerce in 1887. For many decades after the beginning of railway construction the necessity for regulation was not keenly felt. There were not long, through continuous lines as now. Close parallels, crossings, and junction points of transfer were not so numerous. But with the establishment and rapid growth of inland cities of distribution and sharpness of competition between trade centers, incident to the annihilation of distance by the increased speed of trains, as well as by the greatly increased capacity of engines and cars, and especially the establishment of great modern railway systems and other lines, commerce, including transportation, has been revolutionized, while the transportation facilities as well as the volume of business have increased many fold. These results were greatly accelerated by the act of Congress of 1866, authorizing through lines and systems to be formed by connecting carriers, irrespective of state lines and

state charters. It follows that discrimination, which, under former conditions, was of little significance, under present conditions would mean ruin to its victims.

In passing the original act of regulation, Congress was naturally conservative and cautious in dealing with so great a question. The most claimed for that act was that it was an experimental beginning.

In approaching a brief discussion of the need for further legislation, I am not unaware of the criticism of the Commission from some sources, that early in its existence it began to recommend further legislation and power and has steadfastly kept it up. To this indictment I think it must plead guilty. Whatever may stand to the credit of the Commission, one of its best assets is that in season and out of season, through evil report as well as good, it has not been unmindful of its specific duty in this respect. It did not take long to find many weak points in this experimental statute, and although it has been greatly improved and strengthened by amendments, it is yet inadequate to the accomplishment of its just and righteous purpose of securing reasonable service at just and reasonable rates and without undue discrimination in any respect whatsoever. The act, from the beginning, has contained the following command:

> "That the Commission shall, on or before the first day of December in each year, make a report, which shall be transmitted to Congress. This report shall contain such information and data collected by the Commission as may be considered of value in the determination of questions connected with the regulation of commerce, together with such recommendations as to additional legislation relating thereto, as the Commission may deem necessary; . . ."

The Commission would have been as recreant as a sleeping sentinel if it had not continued and repeatedly followed up its recommendations for such further legislation as its experience showed to be necessary to the purpose of the law. It would have been morally guilty of criminal neglect and unworthy of its trust had it failed at any time to do so.

It has been said that the requirement that rates be reasonable and just is but a declaration of a principle as old as the

common law. This may be admitted without dispensing in the least with the necessity for regulation which will secure the application of that principle in the daily transactions between carriers and their patrons. Indeed, the concession that it is a common-law principle only supports the truthful declaration that there is nothing radical nor revolutionary in the present general scheme of regulation, which has for its only ultimate purpose a practical guaranty of the principles of justice recognized for ages at common-law. This manner of regulation became necessary, because, in the very nature of the case, on account of the peculiarities of transportation conditions and services, judicial action, under the customary forms of judicial procedure, was wholly inadequate. The development of this scheme of regulation to suit modern conditions is similar to the evolution of equity courts and equity jurisdiction in the general administration of justice. It is said that "conditions may change but principles never." It is fundamental that for every wrong there must be a remedy, and since it has been held that fixing a rate, regulation, or practice for the future is a legislative act and therefore not within the jurisdiction or authority of a court, and since the only possible protection to the patrons of carriers is in fixing just and reasonable rates, regulations, and practices for future observance, and inasmuch as it is utterly impracticable for Congress itself to deal in detail with all these matters direct, as necessity for action may require, the present scheme of regulation became an absolute necessity. The courts could deal only with transactions of the past by awarding damages measured by the exaction of rates in excess of the limit of reasonableness, and therefore could afford no adequate remedy.

Discussing the situation, in view of the decision by the Supreme Court of the United States which had denied the existence of authority in the Commission under the original act to prescribe rates for the future, after it had for about ten years exercised such authority, the Commission in its eleventh annual report (1897) to Congress said:

> "Before the Supreme Court, upon the hearing of the later or certified case involving the authority of the Commission, after investigation and trial, to modify and reduce an existing rate, and to prescribe a reason-

able rate for the future in the case heard, counsel for the defendants, denying such authority under the act, said by way of argument:

"'The first section simply enacted the common-law requirement that all charges shall be reasonable and just. For more than a hundred years it has been the affirmative duty of the courts "to execute and enforce" the common-law requirement that "all charges shall be reasonable and just;" and yet it has never been claimed that the courts, by implication, possessed the power to make rates for carriers. (Interstate Commerce Commission v. Cincinnati, New Orleans & Texas Pacific Railway Company, 167 U. S., 479.)'

"The court treated these remarks of counsel seriously and pronounced them 'pertinent observations.' It was in respect to charges on interstate traffic that these alleged pertinent observations of counsel were addressed to the court. *If any court in any case ever enforced the common-law requirement that all charges shall be reasonable and just on such traffic, we have been unable to find any report of the case.* It is not believed that there is such a case or that the observation was based upon or was pertinent to any existing facts. This Commission had, before this decision, thought it to be its duty, and had been acting upon the belief, that the Interstate Commerce Act required something to be done to 'execute and enforce the common-law requirement that all charges shall be reasonable and just,' which, whatever may have been the 'affirmative duty' of the courts to do, has not been done for more than a hundred years in respect to the transportation charges on interstate traffic. The Commission has been acting, or attempting to act, in the belief that when the law declared that all charges on interstate traffic shall be reasonable and just it was the rates which might be exacted in the future that were required to be reasonable and just."

Unjust discriminations and the exaction of unreasonable rates directly and indirectly work injury to the victims thereof in manner and degree beyond ascertainment and measurement. It must follow that wise legislation will look to the prevention of such wrongs rather than to such partial reparation as may be possible after the wrongs have been accomplished. There should be authority, therefore, to hold in abeyance proposed increases in rates and changes in regulations and practices from time to time, as may be

necessary to the investigation and determination of the reasonableness and justice of the same. This would prevent much complication, and, in some instances at least, irreparable injuries. For it often happens, in the attempt at reparation for wrongs accomplished, that the party most injuriously affected has no standing in law to claim reparation, for the reason that he was not the shipper and had no dealing with the carrier—he may have been the producer, the consumer, or the dealer, and yet the price at which he sold or bought may have been so affected that ultimately he had to bear the burden of the increased rate, although it was paid directly in the first instance by the shipper. It is also to the interest of the carrier to know what it may lawfully retain before collecting the charges, and it can be no hardship to require that a proposed advance in a rate, especially when the previous rate has been maintained for a considerable period by the voluntary action of the carrier, shall be held in abeyance until its reasonableness and justness may be investigated and passed upon. Moreover, every unjust rate more or less affects the community as well as the individual. It also happens in many cases that the rates which a particular carrier may establish affect the rates of other carriers. It is important and just, therefore, from every standpoint, that proposed changes in rates be investigated and passed upon before becoming effective, subject, of course, to such review as the law provides.

In view of the many factors necessary to be considered and of the greater potency of a particular fact or condition in one situation than in another, on account of the influence of still other factors, and the presence of the same in one case and the absence thereof in another, it is utterly impracticable in dealing with the reasonableness of rates to lay down a precise formula for uniform application. It is universally true, however, that the value of the property of the carrier, dedicated and essential to its service to the public, will always be of prime importance in the mind of every conscientious tribunal. There ought to be, therefore, a thorough and comprehensive inventory valuation of the physical properties of the carriers. Such valuation, if au-

thentic, would be of great assistance in matters of just taxation, disposition of rate questions, and wise and just legislation.

The next important matter to which I shall allude is that of Federal control of capitalization. Judging the future by the past, we know that it is practicable for a road, with established character and credit, in flush times of prosperity, to be burdened with as much increased bonded liability as the market will take, without regard to the purposes for which the additional money is to be raised—whether for extra dividends or the purchasing of other roads, competing or otherwise. Every such road is a standing temptation to exploiters, whether under the old or a new management, to use the credit of the property for the purpose of immediate distribution in the form of dividends or otherwise, regardless of the impairment of the road's future credit or the interests of the innocent holders of its securities or the rights of those who must pay the freight.

I know it is constantly asserted in certain quarters that the public has no interest in capitalization, whether of bonds or stocks—that it has no relation to rates. But I know equally well that when the question of unreasonable rates is in controversy in court, the most effective defense is that after operating expenses are paid, the balance of the gross earnings are wholly or largely taken up by interest on bonds, and that little if anything is left to the stockholders. I concede that the limitation on the issuance of mere stock is not so important as the control of the issuance of bonds or obligations, for the reason that, from the gross earnings, obtained primarily by the assessment of transportation charges, sufficient money must be deducted to provide for the inevitable current interest during the life of such bonds or obligations, as well as the ultimate liquidation of the principal. Both should be regulated, not alone in the interest of the freight payer, who is unjustly taxed and robbed as he is required to contribute to making good these unnecessary obligations which also so diminish the gross earnings that a reasonable distribution to stockholders is defeated, but for the protection of bona fide investors. We have elaborate legislation for control of the organization and

operation of national banks and with respect to food and drugs, and yet it is contended that common carriers, affecting as they do every interest, should be a law unto themselves.

I would not say that, for the purpose of constructing a new road, the payment of full par value should be required. The ends of justice do not demand such a rule as would tend to confine to well established roads of credit exclusive opportunity of constructing new lines. The construction of a new road is quite a different proposition from loading down an established one of high credit with obligations, not for the purpose of raising funds necessary to legitimate transportation purposes, but to secure cash dividends for immediate distribution among the promoters of the reorganization. The flagrant instances of this sort, which have come to light in the past, should be sufficient to secure prompt legislation to put such transactions in the category to which, from a moral standpoint, they belong, and to prevent their repetition.

The stocks of the roads of this country, exclusive of switching and terminal roads, outstanding in 1890, was in round numbers, $4,409,658,000, and in 1908, $7,373,212,000: In the former year $28,194 per mile of line, and in the latter year $33,238 per mile of line. Their funded debt outstanding in the year 1890 was $4,574,576,000, and in the year 1908, $9,394,332,000: Per mile of line in the former year $29,249, and in the latter year, $42,349. The interest that accrued in the year 1890 was $221,499,000, and in the year 1908, $368,295,000: The amount of interest that accrued in the former year per mile of line was $1,466.00, and in the latter year $1,660.00. Thus it will be seen that there has been a steady and rapid increase in the totals of stock and bond capitalization, due, of course, in large part, to additional mileage and doubtless to some extent to permanent improvements, additional equipment, etc., and that the annual interest accrual per mile of line in 1908 was nearly 15 per cent in excess of that in 1890, and more than 10 per cent in excess of the interest accrual in 1905. The increase in interest accruals, not only in gross but per mile of line, has been particularly marked within the last few years. It

is certain that these figures do not in all instances represent actual investments and that there have been many instances of the issuance of stock dividends and bonds for indefensible purposes through reorganizing devices and otherwise.

The control of railway capitalization by the Federal Government has been objected to as unconstitutional, because most of the carriers operate under state charters. The constitutional authority for Federal control of commerce among the states, however, is absolute, unconditional and unqualified. It is not made to depend upon the source of authority under which the agency engages in such commerce. The provision applies to such commerce itself and therefore necessarily to all of the agencies incident to it, otherwise the provision would be meaningless and the Government impotent in the matter. One state by loose practices in the granting of charters and charter privileges could paralyze the efforts of all the other states even if we could hope for practical uniformity of views among them as to this regulation. It is an important right, as well as essential to the well-being of every state, that the Federal Government shall adequately do those things for which it was established. It was early seen by the Colonies from experience that the regulation of commerce among the states, like that of the imposition of import duties, etc., could only be justly and adequately effected by a single authority—one government, and not by thirteen or forty-six sovereigns.

Another important matter is that the law should be made so plain as to put beyond question the authority of the Commission to make suitable orders upon investigations instituted by it to the same effect as if formal complaint had been made.

Protest will, of course, be made against such proposed legislation as I have outlined, and the number and variety of reasons urged against it will be "exceeding great." The merit of the objections against regulation that regulates can be better weighed when we understand the attitude of those in charge of the roads with respect to the question of their public duties and obligations. A brief reference to the expressed views of some of these officials will indicate the degree of caution which the public should exercise in

considering the advice of those whose official action calls for regulation.

Two years ago Mr. Stuyvesant Fish, prominent for many years in the management of the Illinois Central, before this very Club condemned the Hepburn Act, the passage of which he had opposed. He concluded with the advice that much of the present authority to the Interstate Commerce Commission be relegated to the courts, and that it be provided that—

> " . . . Rates shall be fair in themselves; that is, above the cost of rendering the service and below its value which, while remunerating the owners, shall not restrict trade, but shall tend to stimulate its development. Such rates to be open and equal to all under like circumstances, and subject to legislative revision and regulation. Every trick and device in respect to them to be so promptly detected and punished, that those guilty of the offense shall be deterred by fines, and if need be, prevented by imprisonment from repeating it. It is obvious that this final recommendation contains nothing more than the common-law has always provided as to carriers' charges."

It is plain that action in accordance with this advice would put the country back to the common-law basis of a naked declaration of rights without effective remedy. A declaration of the moral law would be equally effective.

Mr. Fish also in a letter of December 30, 1902, addressed to the *Commercial and Financial Chronicle,* of New York City, after referring to the congestion of business by reason of large freight movement and inability of the carriers to secure the prompt fulfillment of orders for additional equipment, concluded with this suggestion:

> "Having regard to the best interests of the nation at large, have we not reached a point where the railroad companies now owe it as a duty to the public to advance their rates to the end that those who tender money may get the services and get it promptly? If not, can any measure of general relief be afforded in any other way?"

Is not this a clear suggestion of the right in carriers to limit the offering of freight by an increase of rates for prohibitory purposes, which of necessity would indirectly limit its production? I cannot understand it otherwise.

Mr. Smith, President of the Louisville & Nashville Railroad Company, some years ago, in combating the right of public control of rates, and contending that common-law remedies were sufficient, when asked in substance what a patron of his road could do if he deemed the rate unreasonable and the company would not reduce it, answered "He could walk."

When the Hepburn bill was pending before the Senate Committee Mr. James J. Hill, President of the Great Northern, protesting against the passage of the bill, and criticising the Commission because of its recommendations for further regulation, said:

> "Who will put the money in, when every dollar that is invested is threatened with having the control of it taken away and handed over to some sort of a commission, whom we know, who have to deal with them, are absolutely incompetent? With all due deference to the men on that commission—I have a high regard for many of them—what position could they fill on a railway? I do not know any. We pay traffic men thirty to forty thousand, and as high as fifty thousand dollars a year, because they are worth it."

Is it possible that one, occupying so important a place in the management of one of these great properties, is incapable of comprehending that there is no higher compensation to a public servant, engaged in the administration of justice, than mere lucre?

Mr. Tuttle, President of the Boston & Maine, was reported last summer as objecting, in an interview, to investigations by the Commission other than upon formal complaint, contending that the Commission enters upon such general inquiries with prejudice. It may safely be said that in all the investigations instituted by the Commission, complaint in some form and often from many sources prompted the inquiry. It would be singular if the existence of prejudice in the mind of the Commission were dependent upon whether the complaint is a formal or an informal one. The facts, however, are conclusive against the inference of prejudice. During its existence the Commission has instituted some 72 or 73 investigations of this kind, in 53 of which it has never undertaken to make any

order or requirement, and in a number of the others it has only made recommendations. It instituted the inquiry into the Northern Securities Company, and upon the facts disclosed was based the successful proceeding by the Government to dissolve that company. It also began the inquiry that moved the Government to proceed against the Chesapeake & Ohio and the New York, New Haven & Hartford roads respecting coal shipments from Virginia to New England furnished and carried by the former road to the seaboard for the latter, under a contract guaranteed by Mr. Pierpont Morgan, the enforcement of which served to defeat the published rates. In this case the Supreme Court, condemning the arrangement, laid down some most wholesome and effective rules governing questions of discrimination. This has become a leading case. The Commission also in the same manner investigated the use of refrigerator cars and allowances that had resulted in favoritism which was condemned by the courts in a proceeding based on that investigation. The facts disclosed in these and similar investigations also resulted in securing effective amendments in the law of 1906, covering refrigeration, elevation and similar services in connection with transportation, and in the enlargement of the 20th section for greater scrutiny and more effective control of the carrier's accounts and records with a view to greater publicity and to the discovery of the devices by which the law had in former times been cheated and gross discriminations practiced. Any one of these investigations would justify the continuance and enlargement of the powers of general investigation as well for the protection of roads whose managements desire to conform to just and lawful principles and practices, as for the protection of the public, for it must be kept in mind that every law of restraint and regulation must be made with reference to the worst of the people and not the best. If laws could be made with reference only to the best or the great majority of people, many of the criminal laws of the country might be dispensed with. We would, in that case, need none against murder nor theft. The Commission has not hesitated to press prosecutions for violations of the law on the part of shippers as well as carriers upon the basis of information secured in these general inquiries.

The record disproves prejudicial action against the carriers and I am wholly unable to discern the process of reasoning which concludes that the Commission would be prejudiced by information presented to it by informal complaint and would be free from prejudice when its action was invoked by formal complaint.

I refer to the foregoing expressions of sentiment by those high in railroad management only for the purposes, first, of indicating the kind of treatment which may be expected by the public if we should revert to a common-law declaration as to justice without any authority to alter or regulate rates and practices of carriers; and, second, as indicating what the Commission may ever expect in the way of criticism from those whose conduct the public has found it necessary to regulate. Perhaps we should not expect it to be otherwise, for no one courts regulation of his own conduct. Other samples of unique views could be cited, but I shall not extend the list.

While it is not my purpose to discuss the question of the reasonableness of existing rates, I call attention in passing to a very misleading comparison of rates in the United States with those of England that often has been availed of. It is said that rates in England are three times as high as in this country. This assertion has been based upon the partial use of a statement made by Mr. William M. Acworth, Barrister-at-Law, of London, before the Senate Committee in 1905. After indicating that the rates were about three times as high per ton per mile in England as here, Mr. Acworth was questioned by Senator Cullom as follows:

> "I am a little at a loss to account for how it happens that you are charging so much more for your transportation than we are here. Can you account for it?"

He replied—

> "Yes, that is, exactly how much of it is accounted for I do not know, but in the main it is clearly accounted for by two reasons. Leaving out the question of how much influence legislation has had, the main commercial reasons are that your average haul is over 140 miles, and ours is probably about five and twenty. Therefore you have got to charge the terminal cost both for service and for work, which is a very large

> portion of the total cost, onto twenty-five miles of haul instead of onto 140. That is one cause; and the second cause is that whereas your normal consignment is probably a carload or some number of carloads, our normal consignment is probably three or four hundredweight; and it is vastly more expensive to deal with small quantities. A great deal of our business is what is done with you by the express companies; and we think we are cheaper than your express companies."

Upon this statement it is absurd to contend that for a service in England the rate is three times as high as for a similar service here.

It is often urged that, it being to the interest of the carrier to protect its patrons, no regulation is necessary. Can we suppose for a moment that the just rights of the individual shipper would always be safely protected under a management dominated by such views as above quoted? Experience is to the contrary.

We shall do well to keep in mind the proper functions of railroad corporations in considering their rights and obligations. Concerning these the following clear and forceful statement is found in the language of that distinguished jurist and patriot, Jeremiah S. Black, in a speech before the committee of the Pennsylvania Senate in 1883:

> "The functions of railroad corporations are as clearly defined and ought to be as universally understood as those of any servant which the state or general government employs. Without proprietary right in the highways they are appointed to superintend them for the owners. They are charged with the duty of seeing that every needed facility for the use of those thoroughfares shall be furnished to all citizens, like the justice promised in *Magna Charta,* without sale, denial, or delay. Such services, if faithfully performed, are important and valuable, and the compensation ought to be a full equivalent; accordingly, they are authorized to pay themselves by levying upon all who use the road a tax or toll or freight sufficient for that purpose.
>
> "But this tax must be reasonable, fixed, certain and uniform, otherwise it is a fraud upon the people which no department of the state government, nor all of them combined, has power to legalize."

While the investment in railways is a private one, entitled to full protection under the Constitution, it is nevertheless affected with a public interest, because it is in a public high-

way conducted only under public authority and dedicated to public use. Moreover, every railway is in fact as in law a monopoly as is a turnpike, and for that reason also justly subject to reasonable public control. Keeping in mind, therefore, the righteousness of the constitutional protection to the investor in these properties against confiscation by the imposition of unreasonably low rates or otherwise, there rests upon the managment of every road a dual obligation, first, that it will serve the public for rates that are within reason and without undue discrimination; and, second, that subject to this public duty it will cause the property to earn a fair return upon its value properly considered.

The effective elimination of railway discrimination, whether in rates, facilities, or services, is also essential to the prevention of monopolies, pernicious and baneful in their effects. As far back as we have any history of commerce there have been those who, from motives of greed and avarice, have been aggressive and persistent in the use of their wits to engross and monopolize the lines of business in which they engaged. Notwithstanding the natural repugnance of such monopolies to the sense of justice, and notwithstanding the common-law rules against them, and the statutory efforts from time to time to prevent and defeat them, we still have continuous, persistent, and successful monopolies, even in this enlightened age and country. The English statute in the time of James I, concerning monopolies, was declared to be a *Magna Charta* for British industries. This statute, says Mr. Hume, "contained a noble principle, and secured to every subject unlimited freedom of action, provided he did no injury to others, nor violated statute law." In view of the uses for which corporate charters are granted in this country, and the indiscriminate and reckless liberality and lack of restraint whereby, through holding companies and other devices, great consolidations and monopolies are being built up with greater rapidity and to a greater extent than in any other age, it would seem that we are approaching the era for a new industrial and commercial *Magna Charta*. President Cleveland in his annual message to Congress on December 7, 1896, said:

> "Another topic in which our people rightfully take a deep interest may be here briefly considered. I refer

to the existence of trusts and other huge aggregations of capital, the object of which is to secure the monopoly of some particular branch of trade, industry, or commerce and to stifle wholesome competition. When these are defended, it is usually on the ground that though they increase profits they also reduce prices, and thus may benefit the public. It must be remembered however, that a reduction of prices to the people is not one of the real objects of these organizations, nor is there a tendency necessarily in that direction. If it occurs in a particular case it is only because it accords with the purpose or interests of those managing the scheme.

"Such occasional results fall far short of compensating the palpable evils charged to the account of trusts and monopolies. Their tendency is to crush out individual independence and to hinder or prevent the free use of human faculties, and the full development of human character. Through them the farmer, the artisan, and the small trader is in danger of dislodgement from the proud position of being his own master, watchful of all that touches his country's prosperity, in which he has an individual lot, and interested in all that affects the advantages of business of which he is a factor, to be relegated to the level of a mere appurtenance to a great machine, with little free will, with no duty but that of passive obedience, and with little hope or opportunity of rising in the scale of responsible and helpful citizenship.

"To the instinctive belief that such is the inevitable trend of trusts and monopolies is due the wide-spread and deep-seated popular aversion in which they are held and the not unreasonable insistence that, whatever may be their incidental economic advantages, their general effect upon personal character, prospects, and usefulness cannot be otherwise than injurious."

One of the most effective agencies in the establishment of monopolies in this country has been railway discrimination in the form of rebates and other like practices.

To the prohibition now in the law against these reprehensible practices, there should be added like prohibition against and suitable penalties for the improper issuance of additional securities, and the improper diversion of the proceeds of securities to the profit of those who conduct reorganizations for such purposes. All these practices should be put in the same category with false weights, false measures, false

description of property, and other like forms of cheating, which are an abomination.

Although convinced of the need for further legislation, I am persuaded that conditions and practices have been greatly improved by existing laws. I am sure that among the people generally there is a higher moral standard respecting commercial transactions. There is a better appreciation of the standards set by the regulating statutes and of the obligations and duties of the carriers and rights of the public, among the younger men, coming into the management of these properties, imbued with advanced ideas consistent with the principles of the law and fostered by public sentiment and the teachings of many of our institutions of learning. There is also in later years greater appreciation by the public regarding these matters, and of the necessity for higher ideals and higher standards of commercial morality than prevailed under the old regime when the carriers were a law unto themselves and every shipper was under constraint to secure the best he could for himself. It is not strange that such a system became intolerable. It is only to be wondered at that it was borne so long. I am not ready to accept the idea that the measure of compensation, either of those in public office or in the great educational and other institutions of the country, is the lucre, which, by the use of their wits, they can gather for their employers. I would appeal for a higher standard and point to a nobler purpose. As expressed in the language of that orator, Ben Hill: "Who saves his country saves himself, saves all things, and all things saved do bless him. Who lets his country die dies himself ignobly, lets all things die, and all things dying curse him."

It is easy in many ways to pay more for money than it is worth. Men are doing it every day and yet in many cases they are unable to realize it until they are brought face to face with the prison door. Then what would they not give if they could only out the "damned spot"—the stain of felony on the name their children must bear. Neither is that malefactor who is discovered and branded with the sentence of the law a whit worse than the equally guilty who escapes. Verily, "A good name is rather to be chosen than great riches," and this is as true with respect to a business community or a nation as to an individual, for "righteousness exalteth a nation."